

Message Text

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17

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FM AMCONSUL WINNIPEG

TO AMEMBASSY OTTAWA

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AMCONSUL TORONTO

UNCLAS WINNIPEG 229

E.O. 11652: N/A

TAGS: ETRD, CA, US

SUBJECT: ANTITRUST: GRAND JURY INDICTMENTS OF POTASH PRODUCERS

-- REACTION IN MANITOBA AND SASKATCHEWAN

REF: STATE 156118

1. MAJOR REACTION IN CONSULAR DISTRICT (OBVIOUSLY) WAS IN JUNE 30
REGINA LEADER POST WHICH HEADLINED INDICTMENT ON FRONT
PAGE. LONGISH ARTICLE BEING POUCHED, THE MOST IMPORTANT QUOTES
WERE:

-- QUOTE GOVERNMENT AND POTASH COMPANY OFFICIALS WERE UNCERTAIN
WEDNESDAY HOW AN ANTI-TRUST INDICTMENT HANDED DOWN IN CHICAGO
TUESDAY MIGHT AFFECT THE POTASH INDUSTRY IN SASKATCHEWAN.

-- JOHN L. CARPENTER, PRESIDENT OF THE CANADIAN POTASH PRODUCERS
ASSOCIATION, SAID IN A TELEPHONE INTERVIEW FROM TORONTO THAT IS IS
TOO EARLY TO SAY JUST WHAT IMPACT THE U.S. COURT DECISION WOULD HAVE
ON CANADIAN PRODUCERS OR ON CANPOTEX. CANPOTEX IS A CONSORTIUM OF
MOST CANADIAN PRODUCERS SET UP TO MARKET SASKATCHEWAN POTASH OVER-
SEAS.

-- AT HIS REGULAR PRESS CONFERENCE WEDNESDAY MORNING PREMIER ALLAN
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BLAKENEY SAID QUOTE I HAVEN'T HAD AN OPPORTUNITY TO LOOK AT THE

REPORT AND FIND OUT WHAT IS THE ALLEGATION AGAINST THE POTASH COMPANIES. UNQUOTE

-- MR BLAKENEY SAID THAT HIS ONLY COMMENT IS THAT IF SASKATCHEWAN WAS INVOLVED AT ALL IT WOULD BE IN 1969 AND 1970 (WHEN PRO-RATIONING WAS SET UP). HE SAID HE WAS NOT PERSONALLY FAMILIAR WITH WHAT TRANSPAIED THEN SINCE LIBERAL GOVERNMENT WAS INVOLVED. BUT HE DID NOT THINK THERE WAS ANY UNLAWFUL CRIMINAL CONSPIRACY ON THE PART OF SASKATCHEWAN GOVERNMENT OFFICIALS THEN.

-- IN ADDITION, MR BLAKENEY SAID HE DID NOT THINK THE U.S. CASE WOULD AFFECT PROVINCIAL NEGOTIATIONS TO PURCHASE POTASH MINES.

-- MR BLAKENEY SAID NEGOTIATION TO BUY THE DUVAL MINE NEAR SASKATOON ARE QUOTE ACTIVELY CONTINUING UNQUOTE TO IRON OUT THE FINAL DETAILS.

-- LIBERAL LEADER DAVE STEUART SAID THE INDICTMENTS WERE THE WORK OF QUOTE BUREAUCRATIC BUSY BODIES. UNQUOTE

-- MR STEUART, DEPUTY PREMIER IN 1969, SAID THE COMPANIES WERE MERELY CO-OPERATING WITH THE GOVERNMENT. UNQUOTE

2. SO FAR, AND WE ARE LIMITED TO SOME DEGREE BY THE SLOWNESS OF MAIL SERVICE BY WHICH WE RECEIVE THE LEADER POST, THERE HAS BEEN NO EDITORIAL COMMENTS FROM REGINA.

3. BOTH WINNIPEG FREE PRESS AND TRIBUNE CARRIED WIRE SERVICE ACCOUNTS WITH AGAIN. NO EDITORIAL COMMENTS TO DATE.

4. ON SOCIAL OCCASSIONS WITH WINNIPEG EDITORS I FOUND THEY WERE NOT PARTICULARLY INTERESTED IN OR AWARE OF THE DETAILS OF THIS ISSUE. IN ADDITION THEY FORESAW NO GREAT IMPLICATIONS FOR MANITOBA ARISING FROM THIS ACTION. FURTHER, LOCAL OBSERVERS COMPLETELY DISCOUNTED THIS NAIVE REPORTERS QUERY WHETHER MR BLAKENEY MIGHT USE THIS ISSUE AS A CATAPULT TO NATIONAL POLITICAL PROMINENCE.

5. AS FAR AS WE COULD TELL THE MATTER WAS NOT REPORTED ON LOCAL T.V.

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COMMENT:

IT IS REASSURING HOW LOW A PROFILE THIS ISSUE HAS HERE IN MANITOBA. IT IS LIKEWISE INTERESTING THAT THE MATTER HAS NOT HAD THAT MUCH COVERAGE IN THE REGINA PRESS. IN FACT, UNTIL THE ARTICLE CITED ABOVE APPEARED, I FOUND NOT ONE WORD IN THE LEADER POST ABOUT SASKATCHEWAN POTASH IN THE TEN DAYS OF NEWSPAPERS THAT I HAVE SCOURED .
THE ONLY MENTION OF POTASH IN GENERAL WAS A MINISCULE WIRE SERVICE

ACCOUNT ABOUT POTASH DEVELOPMENT IN NORTH DAKOTA WHICH APPEARED
DEEP ON THE ENTERTAINMENT SECTION.

FINALLY, THE TIMING (PRESUMABLY ACCIDENTAL) OF THE ANNOUNCEMENT
OF THE GRAND JURY INDICTMENT ON THE EVE OF A MAJOR CANADIAN
HOLIDAY FOLLOWED BY A LONG WEEK END COULD NOT HAVE BEEN BETTER.

I WILL PASS ABOVE TO THE AMBASSADOR UPON ARRIVAL IN REGINA.
HUTSON

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